



North Central Idaho News

CLEARWATER, IDAHO, LATAH, LEWIS & NEZ PERCE COUNTIES

ECONOMIC TRENDS

November's seasonally adjusted unemployment rate increased slightly from October to 4.3 percent due to a decrease in seasonal trade and service hiring for the holiday season. Stores and restaurants reported hiring fewer temporary workers this season, giving permanent workers more hours during the holidays. Year-over-year unemployment was down from last November's 4.6 percent.

AREA DEVELOPMENTS

Clearwater County

- The Bountiful Grain and Craig Mountain Railroad, recognized by its bright orange caboose, runs between Lewiston and Kooskia four days per week, and plans are in the works to re-open the abandoned line from Orofino to Jaype once permits are completed. The railroad hopes to gain Potlatch business once the run is open. Over the next five years, Potlatch reportedly has plans to increase timber harvest by 25 percent. Headquartered in Orofino, the railroad rents storage space for customers, particularly loggers, who want to ship via Union Pacific cars. The Bountiful Grain and Craig Mountain Railroad is owned by Mike Williams of Missouri, and the crew includes Kurt Gaylor, region manager, two train operators, a road master and a rail maintenance person. Grangeville's Bennett Forest Industries currently provides much of the Kooskia business, using the railroad to transport a reported 200 loads of lumber per month.

Latah County

- Gritman Medical Center is negotiating the purchase of the Latah Health Services care center building and land south of town. Gritman officials said that if the sale goes through, potential uses for the building include expansion of the hospital's current medical services and creation of new health and wellness services.
- Schweitzer Engineering Laboratories in neighboring Pullman, Wash., continues to experience unparalleled growth. Schweitzer, founded in 1982, employs

North Central Idaho Table 1: Lewiston MSA Labor Force & Employment
Nez Perce County, Idaho and Asotin County, Washington

	Nov 2006*	Oct 2006	Nov 2005	% Change From	
				Last Month	Last Year
INDIVIDUALS BY PLACE OF RESIDENCE					
<i>Seasonally Adjusted</i>					
Civilian Labor Force	28,530	28,290	29,290	0.8	-2.6
Unemployment	1,230	1,150	1,360	7.0	-9.6
% of Labor Force Unemployed	4.3	4.1	4.6		
Total Employment	27,300	27,130	27,930	0.6	-2.3
<i>Unadjusted</i>					
Civilian Labor Force	28,360	28,020	29,120	1.2	-2.6
Unemployment	1,170	960	1,280	21.9	-8.6
% of Labor Force Unemployed	4.1	3.4	4.4		
Total Employment	27,190	27,060	27,840	0.5	-2.3
JOBS BY PLACE OF WORK					
Nonfarm Payroll Jobs** - NAICS	26,980	27,020	27,390	-0.1	-1.5
<i>Goods-Producing Industries</i>	4,440	4,460	4,550	-0.4	-2.4
Natural Resources & Mining	280	270	200	3.7	40.0
Construction	1,210	1,240	1,350	-2.4	-10.4
Manufacturing	2,950	2,950	3,000	0.0	-1.7
Wood Product Manufacturing	530	530	540	0.0	-1.9
Food Manufacturing	30	30	30	0.0	0.0
Paper Manufacturing	1,080	1,090	1,110	-0.9	-2.7
Other Manufacturing	1,310	1,300	1,320	0.8	-0.8
<i>Service-Providing Industries</i>	22,540	22,560	22,840	-0.1	-1.3
Trade, Transportation & Utilities	5,490	5,440	5,480	0.9	0.2
Wholesale Trade	640	650	670	-1.5	-4.5
Retail Trade	3,520	3,460	3,580	1.7	-1.7
Utilities	80	80	90	0.0	-11.1
Transportation & Warehousing	1,250	1,250	1,140	0.0	9.6
Information	450	450	390	0.0	15.4
Financial Activities	1,820	1,830	1,890	-0.5	-3.7
Professional & Business Services	1,550	1,590	1,660	-2.5	-6.6
Education & Health Services	4,500	4,490	4,490	0.2	0.2
Leisure & Hospitality	2,370	2,370	2,530	0.0	-6.3
Other Services	1,050	1,070	1,150	-1.9	-8.7
Government Education	2,360	2,510	2,530	-6.0	-6.7
Government Administration	2,050	2,060	1,990	-0.5	3.0
Government Tribes	900	750	730	20.0	23.3

*Preliminary Estimate

**Full- or part-time jobs of people who worked for or received wages in the pay period including the 12th of the month

about 1,000 in Pullman and has quickly risen to be the second-largest manufacturer in the region behind Potlatch Corp. In 2006, the company announced it would double its manufacturing capacity in Pullman to more than 200,000 square feet in an expansion that will add 300 jobs. Those jobs are in addition to about 225 positions hired in 2006. Schweitzer also finished its five-story, 90,000-square-foot headquarters building in Pullman.

- Pullman-Moscow Regional Airport Board plans to expand and realign the airstrip and landing approaches to bolster the airport's viability to commercial, corporate and charter users. The proposed improvements would bring the airport under new federal guidelines and allow larger aircraft, such as Boeing 737s, to land in Pullman without special waivers. The airstrip realignment is one of multiple phases that aim to make the airport a Palouse transportation hub and compete with airports in Lewiston and Spokane. The new approach would give the airport more options and accommodate more aircraft. Beyond an increase in commercial use, the board stressed the move will benefit companies like Schweitzer Engineering and the local universities, serving their corporate and charter needs.
- Researchers at the University of Idaho are making big strides in a tiny technology. Physicist David McIlroy and mechanical engineer Luigi Corti are on the cutting edge of research into the microscopic nano-world, developing a new class of materials called nanosprings. The tiny devices, which look similar to a coiled telephone cord when viewed through a powerful microscope, are inexpensive, easily made and could have a myriad of applications. Currently, the researchers are working on nanospring-based gas storage tanks for the next generation of hydrogen-fueled cars. The transfer of nanospring technology to various manufacturers should be a "piece of cake," McIlroy says. The technology UI uses to create nanosprings is 100 percent compatible with the existing microelectronics industry, involves no waste and is completely scaleable to meet industry or research needs.
- The University of Idaho is celebrating its College of Engineering's centennial year. Great changes took place across the Pacific Northwest in 1907. Pike's Place Market opened in Seattle. Construction began on the Idaho State Capitol building in Boise. Potlatch opened the country's largest sawmill. The University of Idaho took a significant step as well, opening the doors to its College of Engineering. One hundred years later, more than 13,000 students have earned their degrees and left to make their mark on the world. College of Engineering Dean Aicha Elshabini said their work is seen today in advancing technologies that range from automobiles to cell phones to prosthetics. "This institution has, over the years, graduated people who have really shaped not only the state but the nation," he said.

Nez Perce and Asotin Counties

- It was a year of change for Potlatch Corp. in 2006. The company completed its conversion to a real estate investment trust on Jan. 1. That change brought a new chief executive for the timber products company and an evolution of its public access policy. Michael Covey replaced the retired L. Pendleton Siegel as the top man. He was hired for his experience in moving Plum Creek Timber Company in Atlanta to a real estate investment trust. The new status gives Potlatch a tax advantage when it buys and sells land, and the company has set a course to make a profit from its land. Under Covey, the company has increased harvest of its Idaho timberlands by 25 percent. Potlatch owns 670,000 acres of timber

in Idaho and is the state's largest private landowner. Potlatch has completed an analysis of its land holdings throughout the country and announced in November that it intends to sell large chunks of land, primarily tracts scattered far from its manufacturing facilities or not well suited to growing timber. Nationwide, the company plans to sell as much as 300,000 acres in the next 10 years. But Potlatch will also be purchasing more land as part of its strategy to expand its timber base in places such as the Intermountain West, the Great Lakes states and the South.

- Idaho ingenuity helped weapons maker ATK grab business from a competitor and bolster its thriving Lewiston operation. ATK has landed contracts which could be worth more than \$90 million in five years from the U.S. Department of Homeland Security. "We're ramped up for that kind of production," said Bryce Hallowell, a spokesman for the company in Edina, Minn. "It just makes for solid business in Lewiston." The number of employees in Lewiston has grown by about 130 to 830 since ATK acquired the plant in 2001. The company continues to hire about 10 employees a month, filling new positions and replacing retiring workers. A big key in the contract were innovations developed in Lewiston for .223-caliber ammunition, which is the equivalent of what the military uses for M-16 rifles. The innovations separated ATK from other companies, including the one that had previously held the competitively bid contract, Hallowell said. A large share of the contract is for Immigration and Customs Enforcement, and much of that production will occur in Lewiston, Hallowell said. Bullets will be made in Lewiston and then shipped to another ATK factory in Anoka, Minn., where they will be assembled with primers and casings. Small-caliber ammunition has been the biggest growth area for ATK in recent years, outpacing increases in other product lines such as rocket motors, propulsion systems for U.S. missiles and satellite components. ATK makes small-caliber ammunition in three places – Lewiston, which focuses on the law enforcement market, Anoka, which produces sporting ammunition and the Kansas City, Mo., area, where it has a military ammunition factory.
- Regence BlueShield's 30,000-square-foot office complex that opened three years ago is predicted to be full in seven months, according to President John Stellmon. The building was expected to meet company needs for three to seven years, but demand for services has exceeded expectations. To meet the needs of the growing work force, the company plans to build a 150,000-square-foot, four-story parking garage and a fitness center for employees next to the new office space. It will max out the capacity of the property, he said, and require tearing out new pavement. Work will start this spring, as soon as details can be worked out, and should be finished about this time next year. In the meantime, employees will be shuttled from parking on Bryden Avenue.

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